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DAN E ARNETT
CHIEF OF STAFF

174792

July 14, 2005

VIA HAND DELIVERY

Charles L.A. Terreni, Esquire
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Application of CUC, Inc. for Approval of New Schedule of Rates and
Charges for Water and Sewerage Service Provided to its Customers at
Callawassie Island and Spring Island in Beaufort County, South Carolina.
Docket No. 2005-87-W/S

Dear Mr. Terreni:

For your docket, please find enclosed a copy of the Office of Regulatory Staff's
Second Continuing Data Request which was served on CUC, Inc. Also, if you would
please date stamp the extra copy and return it to me via our courier.

Please let me know if you have any questions.

Sincerely,

Shannon Bowyer Hudson

SBH/wot
Enclosures

cc: Mr. Billy F. Burnett, President
Steven G. Mikell, Esquire
Mr. Joe Maready
Thomas Potrykus

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2005- 87 -W/S

2005 JUL 14 PM 2:59
SO. CAROLINA
PUBLIC SERVICE COMMISSION

IN RE: Application of CUC, Inc. for)
Approval of New Schedule of)
Rates and Charges for Water)
And Sewerage Service Provided)
to its Customers at Callawassie)
Island and Spring Island in)
Beaufort County, South Carolina)
_____)

CERTIFICATE OF SERVICE

This is to certify that I, Rena Grant, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **OFFICE OF REGULATORY STAFF'S SECOND CONTINUING DATA REQUEST** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Mr. Billy F. Burnett, President
CUC, Inc.
2109 Timberlane Drive
Florence, SC 29506

Steven G. Mikell, Esquire
CUC, Inc.
310 West Pine Street
Florence, SC 29501

Mr. Joe Maready
16 Darby Way
West Columbia, SC 29170

Thomas Potrykus, President
Callawassie Island Property Owners Association, Inc.
101 Utility Court
Okatie, SC 29909



Rena Grant

July 14, 2005
Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2005- 87 -W/S

RECORDED
2005 JUL 14 PM 2:59
SO. CAROLINA
PUBLIC SERVICE COMMISSION

IN RE: Application of CUC, Inc. for) Approval of New Schedule of) Rates and Charges for Water) And Sewerage Service Provided) to its Customers at Callawassie) Island and Spring Island in) Beaufort County, South Carolina) _____)	OFFICE OF REGULATORY STAFF'S SECOND CONTINUING DATA REQUEST
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**TO: STEPHEN G. MIKELL, ESQUIRE, ATTORNEY FOR THE APPLICANT,
CUC, INC. ("CUC"), MR. BILLY F. BURNETT, PRESIDENT, AND MR. JOE
MAREADY.**

INSTRUCTIONS

The Office of Regulatory Staff hereby requests, pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2003), that the Applicant answer the following data requests in writing and under oath within ten (10) days after service. Answers should be provided to the Office of Regulatory Staff, 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. If you are unable to respond to any of the data requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these data requests, when asked to identify or provide information on a person or an entity, "provide" and "identify" means to provide the full name, title, and current address and telephone number. When asked to identify a document, "identify" means to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description

of a document, you may attach to your responses a copy of the document and identify the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this data request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS HEREIN REQUESTED:

- A. That all information shall be provided to the undersigned in the format as requested.
- B. That all responses to the requests below be labeled using the same numbers as used herein.
- C. That each of the enumerated data requests be reproduced at the beginning of each of the responses.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but instead, that the information be reproduced and placed in the data request in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.
- F. That all exhibits be reduced to 8 ½" x 11" format, where practical.
- G. That the requested information be bound in ring binders (loose leaf notebooks) or otherwise suitably bound.
- H. That in addition to the signature and verification at the close of the Applicant's responses, the Applicant witness(es) or employee(s) responsible for the information contained in each response be indicated.

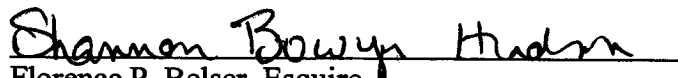
- I. That the Applicant provide to the Office of Regulatory Staff two copies of the responses to this data request as soon as possible but no later than ten (10) days after service thereof.
- J. If the response to any data request is that the information requested is not currently available, please state when the information requested will be available.
- K. This data request shall be deemed to be continuing so as to require the Applicant to supplement or amend its responses as any additional information becomes available.

QUESTIONS

- 2.1 Describe CBU's relationship with CUC.
- 2.2 Describe WaterOne, Inc.'s relationship with CUC.
- 2.3 Provide a copy of the lease agreement between CUC and Water One, Inc. for the 2004 Range Rover.
- 2.4 Provide a mileage log for the 2004 Range Rover and the 2000 Lexus LX470 SUV showing a breakdown in mileage for business and personal use.
- 2.5 Describe the method used to allocate expenses between CUC and CBU during the test year, and provide a list of the expenses with the appropriate allocations between CUC and CBU for the test year.
- 2.6 Provide a copy of the declarations page for each insurance policy paid by CUC for the test year.
- 2.7 Provide all expenses associated with grinder pumps during the test year and state where the expenses are posted in the general ledger.
- 2.8 State how often sludge is removed from the wastewater treatment plant, for example, monthly, yearly, etc., for the years 2002, 2003 and 2004.
- 2.9 State the most recent rate that Collins Septic Tank Service, Inc. is charging for sludge removal, and provide an invoice or document from Collins Septic Tank Service, Inc. showing this rate.
- 2.10 List the date of purchase and purchase price for all real estate and land rights owned by CUC.

- 2.11 Reconcile and explain the difference in amount for the Contributions in Aid of Construction ("CIAC") provided in response to Data Request 1.34(b) of \$959,375 and the amount listed on the Balance Sheet for Contributed Capital – Water & Sewer Taps of \$326,450 and \$196,200, respectively.
- 2.12 Provide the number of taps installed each year and the dollar amount expended each year for installations. Please provide this information from the inception of the system through December 31, 2001 in the same format as the supporting documentation for adjustment number 1 and 2 contained in the pro forma adjustments analysis binder provided by CUC.
- 2.13 Provide a list of tap fee expenses that make up the amount of (\$33,585) in adjustment number 14 as stated in CUC's application.
- 2.14 During what billing period did Beaufort Jasper Water & Sewer Authority ("BJWSA") stop under billing CUC, Inc.? Please provide an invoice reflecting the appropriate charges after the under billing was discovered and corrected.
- 2.15 Provide invoices, correspondence and/or work papers supporting the under billing of \$32,007 from BJWSA as stated in CUC's application.
- 2.16 Did BJWSA bill CUC for this under billing? If so, provide a copy of the bill.
- 2.17 State the most recent rate that BJWSA is charging for water purchased, and provide an invoice or document from BJWSA showing this rate.
- 2.18 For the two outstanding loans listed in response to ORS's First Continuing Data Request number 1.20 for "Loan #2" and "Loan# 3", please provide a copy of the loan agreements.
- 2.19 Provide contracts and invoices listing all rate case expenses.
- 2.20 CUC's general ledger indicates CUC collected \$3,760 from their customers to pass through to DHEC. DHEC records and CUC's general ledger indicate CUC paid DHEC \$2,799 during the test year. Please explain what was done with the remainder \$961 not paid to DHEC.

July 14, 2005


Florence P. Belser, Esquire
Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
P.O. Box 11263
Columbia, South Carolina 29211